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New Laws Creating Fees for Electric and Hybrid Vehicles Will Take Effect Jan. 1, 2024

Laws aim to ensure equitable sharing of road maintenance costs through an electric and hybrid vehicle ownership fee and battery charging tax similar to motor fuel tax

FRANKFORT, Ky. (Dec. 21, 2023) – Under the terms of two state laws that take effect on New Year's Day, owners of electric vehicles and gasoline-electric hybrid vehicles in Kentucky will soon pay new fees for registering or charging up at public stations

Passage of the legislation, which was House Bill 360 in the 2023 Kentucky General Assembly, was a significant development for the long-term stability of the Kentucky Road Fund. It ensured that EV and hybrid owners pay a fair share of the cost of building and maintaining Kentucky's transportation infrastructure.

The new, annual ownership fee structure under Kentucky law includes the following:

- \$120 for electric vehicles
- \$60 for hybrids
- \$60 for electric motorcycles

These fees are directed into the Road Fund, which pays for road construction, maintenance, engineering, planning and research as well as administrative functions to keep the Kentucky transportation network moving. The Kentucky Transportation Cabinet (KYTC) will mail a postcard to Kentuckians subject to the fee. Payments can be made online at EVHV.ky.gov or by paying at your county clerk's office when renewing registration.

"Sharing the roads also means sharing the cost to maintain them," said KYTC State Highway Engineer James Ballinger.

"With the rise in hybrid and EV owners in recent years, the ownership fee helps ensure their contributions to the Road Fund match those of the majority of Kentucky drivers who drive a gas or diesel-powered vehicle and pay associated taxes."

In 2022, the General Assembly passed House Bill 8, which added a dealer tax of 3 cents per kilowatt-hour of electricity for EV charging stations on or after July 1, 2022. Similar to Kentucky's Motor Fuels Tax, it will be added to the selling price of the charge to those who operate charging stations. The tax revenue goes to the Road Fund.

These legislative measures align with private investments from major industry players such as Ford Motor Co., SK On, INFAC North America and Toyota—secured by the Beshear administration. At least \$10.9 billion is dedicated to the development of electric vehicle batteries and the industry is expected to create over 10,000 jobs. This substantial investment coincides with the <u>recent announcement</u> of additional charging stations, now totaling 24, to be constructed along Kentucky's designated Alternative Fuel Corridors (AFCs).

For information about Kentucky's electric vehicle infrastructure, fast charging locations, a map of current AFCs, future high-priority routes and more visit evcharging.ky.gov.

Currently, Kentucky has over 9,000 registered electric vehicles, including motorcycles, and over 60,000 hybrids.

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